



ASRS REPORT

ARIZONA STATE RETIREMENT SYSTEM

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April 6, 2007

This report provides a briefing of news and notices important to our members, retirees and employer partners, as well as other interested parties. It is produced by the ASRS on a periodic basis and posted to the ASRS website. If you would like to receive an email notice when the next issue is posted, and you are not already on our email list, please contact us at weeklyreport@azasrs.gov, and provide your name, email address, telephone number and title and organization, if applicable.

ASRS News

April benefit check distribution information

The Arizona State Retirement System received a number of calls from retirees earlier this week stating that they had yet to receive their monthly benefit check, or, in some cases, their benefit amount in their direct-deposit account. Although the processing of benefit checks and automated direct deposit information was completed as normally scheduled by the ASRS custodial bank, many retirees experienced delays of one to three days before receiving their benefit. The ASRS is still attempting to determine what may have caused the delays, but it appears it is centered on postal delivery.

The ASRS is continuing to investigate and is working to ensure timely monthly distributions in the future.

In the meantime, if any retiree has yet to receive their monthly benefit – either in the mail or via direct deposit – they are asked to contact the ASRS immediately.

Retirees who receive their benefit check by mail are encouraged to consider signing up for direct deposit. This may alleviate any future delays due to the postal system, especially during times of peak mail, such as holidays, or when the first day of the month falls on a weekend or holiday.

To sign up for direct deposit, or for other questions related to this issue, retirees may contact the ASRS Member Services Advisory Center at (602) 240-2000 in Phoenix, (520) 239-3100 in Tucson, or (800) 621-3778 outside Phoenix and Tucson.

Contribution Rates for next fiscal year

Contribution rates for the 2007-08 fiscal year paid by active members and their employers will increase slightly beginning July 1.

Based on an annual actuarial analysis of the defined benefit plan, health insurance premium benefit and long term disability programs, the contribution rate will increase from 9.1 percent this year to 9.6 percent beginning July 1, 2007. Because the ASRS pension plan is a match plan, the contribution rate is for both the employee and the employer.

The new contribution rate of 9.6 percent reflects 9.1 percent for the defined benefit plan and health insurance premium benefit, and 0.5 percent for the long term disability plan. The LTD rate has remained steady the past five years.

The increase is primarily due to past improvements to the benefit package, low historic contribution rates, low mid-term investment returns, and changing member demographics. Improved investment performance over the past two years has helped mitigate larger increases in the contribution rate. Projections continue to show the rate increasing slightly over the next several years, peaking at about 10 percent in 2012 and then beginning a slight downward trend.

ASRS Legislation

The 48th Session of the Arizona Legislature is underway with a number of bills introduced that deal with retirement issues. The ASRS has provided information and analysis on a number of bills that are aimed primarily at improving services and producing savings that will help mitigate future increases in contribution rates and ensuring the longevity of the ASRS trust.

You can view summaries of retirement-related legislation and track progress of the bills through the Legislature by viewing the ASRS Bill Tracker, a document posted on our website and updated weekly.

Information is also available on the state legislature's website, www.azleg.gov.

ASRS Annual Report

The Arizona State Retirement System is pleased to release its Comprehensive Annual Financial Report for the fiscal year 2005-06. The 122-page report provides detailed information on finances, investments, actuarial calculations and general statistics of the agency.

The report meets the standards and requirements for reporting as set forth by the Government Finance Officers Association of the United States and Canada. ASRS annual reports have received the GFOA Certificate of Achievement for Excellence in Financial Reporting for the past 17 years.

In keeping with the State of Arizona's emphasis on electronic business, and cost savings on printing, a limited number of the books were printed. To view the entire report, please visit the ASRS website at www.azasrs.gov and click on the "About Us" category.

Educational meetings offered to inform, assist members

The Member Services Division of the ASRS conducts educational meetings available to all members. Whether you're newly hired and want to learn about the benefits available to you, or you're ready to retire and want assistance filling out your paperwork and making annuity selections, the ASRS has a meeting for you.

Know Your Benefits

This meeting is especially beneficial to new members. You'll learn about the many benefits of belonging to the Arizona State Retirement System, including a history and overview of the ASRS, how your pension is calculated and how to maximize your future benefit, member responsibilities, disability and survivor benefits, options should you leave ASRS employment, and more. Also covered will be the Service Purchase benefit, in which a member may purchase, under certain circumstances, time they worked under other qualified employer plans.

Getting Ready to Retire

This meeting is vital for members who are planning to retire within a year. You'll learn about your pension benefit and how it's calculated, options for retiree health insurance and other benefits, return to work options and more. Members who register for this meeting will receive a personal benefit estimate and assistance in filing out the proper paperwork.

Visit our website and click on the "Calendars" section to see a full listing of meetings taking place in Phoenix, Tucson and throughout the state at various locations. Reservations are required and can be made by calling our Member Services Advisory Center at (602) 240-2000 in Phoenix, (520) 239-3100 in Tucson, or (800) 621-3778 outside Phoenix and Tucson.

ASRS Board & Committee Meetings

ASRS Board of Trustees

Friday, April 20, 2007, 8:30 a.m. – ASRS Phoenix office, 3300 N. Central Ave., 10th floor Board Room.

External Affairs Committee

Friday, May 4, 10 a.m. – ASRS Phoenix office, 3300 N. Central Ave., 14th floor.

Investment Committee

Monday, June 18, 2007, 5:30 p.m. – ASRS Phoenix office, 3300 N. Central Ave., 14th floor.

Operations Committee

Thursday, June 28, 2007, 10:30 a.m. – ASRS Phoenix office, 3300 N. Central Ave., 14th floor.

Note: All Board & Committee meetings are open to the public and your attendance is encouraged. Schedules, agendas and minutes of meetings are posted on our website and are available at our Phoenix and Tucson offices.